EXHIBIT 11
DATE 2-21-07
HB 586

RESPONSES TO INDUSTRY'S ARGUMENTS ON HB 586

UNDISPUTED ISSUES:

• In Montana 92% of human caused mercury emissions come from coal-fired power plants. Nationwide coal-fired plants emit 40% of the airborne mercury emissions caused by humans.

• Mercury from power plants is a potent neurotoxin that can have significant adverse effects at extremely low doses on fetal development, young children and some adults.

WHAT INDUSTRY SAYS: mercury in the western U.S. doesn't deposit locally.

THE FACTS: Mercury Does Deposits locally.

1. Industry says that mercury deposition from eastern coal can't be considered in the west because in the east they burn different coals. Many eastern coal plants burn western low sulfur coals from Wyoming so they can comply with the Clean Air Act requirements for sulfur dioxide. Saying that we can't consider deposition data from the east because they use different coals makes no sense since they are also burning western coals.

2. As industry admitted the coal can differ wildly within a coal seam. They contradict themselves by saying that for deposition purposes, all mercury is the same, and isn't the type that deposits locally. The types of mercury (particulate, elemental or oxidized) varies within the coal seam as well.

3. Studies show that mercury can change form as it leaves the stack due to temperature changes and atmospheric conditions. Elemental mercury, which can travel long distances, doesn't stay in the elemental form and doesn't always travel long distances.

4. The only test on mercury in coal was collect by EPA in 1999. That data shows that at the Corette facility in the middle of Billings 30% of the mercury is the type that deposits locally. At another Montana plant 71% of the mercury is the type that deposits locally.

5. MANY studies show Mercury Deposits locally:

Steubenville Ohio Study: Just published in Sept. 06:

- found that 70% of the wet deposition mercury was attributable to local sources and most of that came from local coal-fired power plants.
- Up until this study was released, EPA maintained that only 8% of mercury in the U.S. came from local sources. An anomymous source inside EPA said, "What we've said to the public is the 8 percent number. We've basically hidden the large local deposition from sources as a way to justify the trading program."

Florida Study: The State Department of Environmental Protection found that as incinerator mercury emissions declined by 99%, mercury in nearby fish and wildlife declined by approximately 60%.

Massachusetts Study: Seven years after Massachusetts enacted the nation's toughest mercury emission laws, the amounts of the toxic metal have declined by 32 percent in a freshwater fish caught near some of those facilities. They also found that the reduction was twice as much closer to the sources of mercury emissions.

Pennsylvania Study: A by Penn State University for the Department of Environmental Protection show mercury levels 47 percent higher in areas closer to power plants.

EPA's Inspector General: The EPA's own inspector general found that EPA's cap-and-trade rule could lead to toxic hotspots and wouldn't be protective of children's health.

6. PPL throws around deposition numbers like they have been independently verified. The test results described above have been verified by independent scientists. The PPL theory that mercury doesn't deposit locally has never been submitted for review by independent scientists. It is a self-serving excuse to avoid protecting public health, not a scientific conclusion.

WHAT INDUSTRY SAYS: It's impossible to achieve 90% control of mercury
THE FACTS: It is possible, and has been demonstrated many times.

1. Other mercury sources have used this technology for many years: municipal waste incinerators have reduced mercury emissions 90% and medical waste incinerators have reduced mercury emissions 94%.
2. Seven years ago EPA found it was possible to control 90% of the mercury emissions at coal-fired power plants.
3. 12 other states require 90% mercury reductions.
4. The Highwood plant did a test burn at a similar facility and found they could control over 90% of their mercury emissions using activated carbon injection.
5. The Hardin Generating Station in Montana received a grant from the Department of Energy to control mercury emissions by 90% or greater.

WHAT INDUSTRY SAYS: It doesn't make sense to control a percentage of the mercury.
THE TRUTH: This shows the ignorance of the opponents. In fact mercury control works based on a percentage reduction basis.

1. Activated carbon injection controls mercury based upon a percentage reduction in mercury in the gas stream. Generally, the more carbon that is injected the more mercury removal that occurs up to a point of diminishing returns. Today that point of diminishing returns at plants that burn western coals occurs at over 90% reduction.
2. Most states that adopted different standards than the federal standard used a percent reduction because of the fact that the mercury removal technology works on a percentage removal basis.

WHAT INDUSTRY SAYS: The rule adopted by DEQ and BER is sufficient.
THE TRUTH: The rule does not require serious reductions in mercury until 2018.

1. The rule is riddled with loopholes. Some facilities will only need to control as little as 10% of their mercury before 2018.
2. Under the rule the Great Falls plant will only need to control 26% of its mercury before 2018 and 41% after 2018.

WHAT INDUSTRY SAYS: The technology to reduce mercury by 90% is not available.
THE TRUTH: The technology is available and is being used today in Montana and across the country.

1. Never before has a technology been so well demonstrated before it has been required by regulation. Activated carbon injection has been rigorously tested throughout the U.S. and is particularly effective at removing mercury from western coals.

WHAT INDUSTRY SAYS: This will be expensive for ratepayers
THE TRUTH: The technology is inexpensive for new plants and will have little effect on Montana ratepayers.

1. Colstrip will have to upgrade its antiquated pollution control equipment. Due to deregulation, most of Colstrip's power is used out of state. That amount that is used instate must remain competitively priced. Due to deregulation, the ratepayers won't pay the cost of upgrading Colstrip as much as the shareholders.
2. In recent years, according to the Securities and Exchange Commission, the companies invested in Colstrip collectively earned $1.1 billion dollars in profit in ONE year. They can afford to upgrade this plant. We shouldn't be stuck with their pollution while they take the profits.
3. The U.S. Department of Energy just issued a report saying that mercury control costs will probably be up to 50% less than previously estimated.